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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Reform of the procedure for determining reimbursement to Member States for contingent-owned equipment

Report of the Secretary-General*

Summary

In paragraph 12 of its resolution 55/271 of 14 June 2001, the General Assembly requested the Secretary-General to address the need for streamlining the contingent-owned equipment procedures and to submit proposals for relevant remedial measures to the Assembly at its fifty-sixth session. The Assembly further requested that the report include information on memorandums of understanding and claims processing.

It is the responsibility of the United Nations, together with the troop contributors, to ensure that peacekeeping missions are provided with the personnel, equipment and services, as specified in the respective memorandum of understanding, required to fulfil its mandate, and that the contingents perform according to established standards. The contingent-owned equipment methodology is the mechanism by which this is achieved. The Secretariat's views on the overall contingent-owned equipment methodology and its proposals for improving the effectiveness and efficiency of the system in certain critical and key areas are set out in the present report. The Secretariat's interest is to improve the system and its ability to manage the process on the whole, particularly concerning the processing of claims. The proposals and suggestions contained in the report relate to the areas of memorandum of understanding negotiations, pre-deployment visits, verification and control and claims processing, and are based on six years of continuous experience within various missions, including those in the start-up, expansion and draw-down phases. It is the Secretariat's view that the contingent-owned equipment system is working well and that the early conclusion and signature of the memorandum of understanding is paramount to ensure the efficiency of the system as well as timely reimbursement.

* The document was submitted late to the conference services without the explanation required under paragraph 8 of General Assembly resolution 53/208 B, by which the Assembly decided that, if a report is submitted late, the reason should be included in a footnote to the document.

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I. Background

1. By its resolution 50/222 of 11 April 1996, the General Assembly reformed the procedures for determining the reimbursement to Member States for contingent-owned equipment. The contingent-owned equipment methodology has been applied as from 1 July 1996 to 227 contingent units, deployed in 13 peacekeeping operations. The Secretariat believes that the contingent-owned equipment methodology is proving itself to be workable in a majority of the peacekeeping operations for most troop contributors and is a significant improvement over the old methodology. The improvement can be seen in several areas. First, the old methodology required the analysis of hundreds of pages of in and out surveys of inventory per unit, whereas the documentation for the current methodology is the memorandum of understanding: annex A, personnel; annex B, major equipment; and annex C, self-sustainment. This has reduced the time required for a critical analysis of contingent-owned equipment claims. Second, as the major equipment and self-sustainment provisions are negotiated in advance and are known to all concerned, the efficiency of verification and claims processing has also improved. Third, as the majority of the troop contributors are self-sustaining, the contingent-owned equipment methodology has reduced the support services provided by peacekeeping operations to contingent units, and hence reduced the number of mission personnel required, for example, in vehicle maintenance. Fourth, the elimination of letters of assist for routine maintenance, repair and replenishment of spare parts removed one of the previous system's greatest sources of delay in promptly reimbursing troop contributors. Finally, the system allows for tighter financial and managerial control for both the Secretariat and the troop contributors, as the memorandum of understanding is agreed upon in the beginning rather than as a claim negotiated at the end of the mission under the old system.

II. Current arrangements

2. The life cycle of the contingent-owned equipment methodology typically begins upon the approval by the Security Council of a new peacekeeping operation or the expansion of an existing one, whereupon the Secretariat sends a note verbale to potential troop contributors inviting them to participate in a peacekeeping operation. (A schematic diagram of the workflow of the memorandum of understanding negotiation process is attached as annex I.) Based on their replies, the Secretariat determines which troop contributors would be most appropriate for the mission. Informal consultations between the Secretariat and troop contributors may commence prior to a Security Council resolution. The Secretariat initiates negotiations on a draft memorandum of understanding with the permanent mission and/or a delegation of the troop contributor.

3. After a draft memorandum of understanding has been agreed upon by both parties, the Secretariat may be invited to send a pre-deployment visit team to the troop contributor's country. The team would review whether the troop contributor's major equipment met the operational requirements of that mission and whether the minor equipment and consumables enabled the troop contributor to be self-sustaining in all categories. Following its confirmation by the troop contributor, a final draft memorandum of understanding is forwarded to the relevant permanent mission for approval. After any requested changes are made, the memorandum of understanding is sent to the permanent mission for signature. The mission in turn forwards the memorandum of understanding to its capital for approval.

4. The field mission issues an arrival and inspection report on the units and/or equipment deployed and monthly or periodic verification reports thereafter. After a thorough review of the verification reports in conjunction with the signed memorandum of understanding reimbursements are certified on the basis of the actual quantities of major equipment provided and the self-sustainment categories meeting the operational standards in-theatre. Once certified, a claim is paid when funds become available.

III. Remedial proposals to streamline the contingent-owned equipment processes

5. The new contingent-owned equipment methodology has been fully implemented in the United Nations Mission in Sierra Leone (UNAMSIL), United Nations Transitional Administration in East Timor (UNTAET), United Nations Mission in Ethiopia and

Eritrea (UNMEE), United Nations Interim Administration Mission in Kosovo (UNMIK), United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), and is being partially utilized in the other missions. The Secretariat is of the opinion that improving the methodology in the following four major areas could increase the overall efficiency, effectiveness and success of the contingent-owned equipment system:

(a) Memorandums of understanding;

(b) Pre-deployment visits;

(c) Verification of contingent-owned equipment;

(d) Claims processing.

The present report addresses each of these areas separately, providing a brief understanding of the issues encountered, followed by the Secretariat's proposals aimed at improving the overall system.

A. Memorandum of understanding

6. The memorandum of understanding is a document negotiated and signed by both parties that details the personnel, major equipment and self-sustainment being provided to a particular mission by a troop contributor and also shows the self-sustainment support to be provided by the United Nations. The memorandum of understanding contains the particulars and quantity of each item and/or self-sustainment category being brought to the mission and the applicable reimbursements amount. The Secretariat's aim prior to the negotiations of the memorandum of understanding is to have a clear statement of requirements that have been discussed in detail and understood by all concerned, and to ensure that areas of divergent opinion (e.g. the quantity of an item required by the mission) have been aired and the options and alternatives are addressed by the Secretariat. Ideally, the memorandum of understanding is signed in advance of the deployment of equipment and/or troops so that new or expanding missions can be planned and implemented in a smooth and seamless manner, providing maximum capability to the mission operations. Notwithstanding the above, the Secretariat continues to note delays in the approval and signing of the final draft memorandum of understanding. The main causes of the delay and proposals for how to resolve them are outlined below.

Delays in obtaining the major equipment and/or self-sustainment position from troop contributors

7. As a first step in the memorandum of understanding process, the Secretariat prepares a draft memorandum of understanding based on both the informal discussions held between the Secretariat and the troop contributor and the standards set out in the 1998 tables of organization and equipment of the standby arrangements. The draft memorandum of understanding is sent to the troop contributor for review. An initial delay is often experienced at this point, as the Secretariat waits for receipt of the position of the troop contributor with regard to its ability to provide major equipment and self-sustainment as proposed in the draft memorandum of understanding. This then delays the Secretariat's ability to make alternative arrangements if required and to move forward with the negotiation of the memorandum of understanding.

8. In order to address issues related to the delay in obtaining the troop contributor's position, the Secretariat is simultaneously pursuing several ideas. As a general rule, the Secretariat is increasingly conducting more informal discussions with troop contributors as to their ability and willingness to provide equipment and/or self-sustainment. It is hoped that through these improved informal pre-negotiation discussions, much of the divergence between a draft memorandum of understanding prepared in accordance with the standards and the ability and/or willingness of a troop contributor to provide major equipment and/or self-sustainment can be bridged quickly and with more clarity. Another idea being implemented is to provide training to staff of the permanent missions concerning memorandum of understanding negotiations and the contingent-owned equipment methodology, thereby improving the understanding of how the system works. Still another idea being explored by the Secretariat is the possibility of signing generic memorandums of understanding for contingent units under the standby arrangements for future deployment. The Secretariat is currently evaluating the capacity of Member States contributing units under the standby arrangements and matching this capacity to the needs of United Nations peacekeeping operations. This approach may facilitate

the process of negotiating memorandums of understanding with Member States under the standby arrangements when and if the Member States agree to deploy to new or expanding peacekeeping operations.

"Special case" major equipment

9. A "special case" reimbursement rate for major equipment arises when a peacekeeping operation requires an item of major equipment that is either not listed as a category in the Contingent-owned Equipment Manual or is an item considered by the troop contributor to be significantly more than the "standard equipment" (as set out in chapter 8 of the Contingent-owned Equipment Manual). As a first step to determining the reimbursement for the special case, the Secretariat seeks additional information and specifications from the troop contributor concerning the item. It has been noted that this essential information often takes considerable time to be submitted. In addition, the Secretariat often has to do research to arrive at a generic fair market value and dry lease and maintenance rates. Sometimes the generic fair market value and/or the monthly maintenance rate requested by the troop contributor is considered high compared to what is available on the market, thus requiring further investigation and negotiation with the troop contributor.

10. While there is indeed special equipment required in certain missions, the Secretariat has noted repeated requests for certain items to be treated as special cases. To reduce the delays noted in paragraph 9 above and to facilitate the signing of the memorandums of understanding on a timely basis, the Secretariat would like to recommend that when a special case reimbursement rate is repeatedly required for major equipment, for example, if the item has been utilized in peacekeeping operations by two or more troop contributors, the item be submitted to the next Working Group on Reimbursement of Contingent-owned Equipment for its review and determination of a standard dry/wet lease reimbursement rate. The inclusion of such items as standard equipment and their listing in the Contingent-owned Equipment Manual should greatly reduce the processing time required for the finalization of memorandums of understanding.

Substantive change in the text of the memorandum of understanding requested by the troop contributor

11. Different troop contributors have special requirements or legal/constitutional constraints that need to be included in the final memorandum of understanding. The Phase IV Working Group on Reimbursement of Contingent-owned Equipment noted that, while the substantive elements of the model memorandum of understanding remained consistent for all Member States, the final form of the document could vary when the United Nations negotiates contingent-owned equipment arrangements with the troop contributors so as to ensure the smooth and rapid provision of contingent-owned equipment (A/C.5/52/39, para. 65 (c)). All but certain minor changes in the memorandum of understanding require clearance by the Office of Legal Affairs, and often these changes require further exchange of correspondence between lawyers of the United Nations and those of the troop contributor.

12. While the Secretariat understands the individual needs of different troop contributors, it would like to stress that making significant changes in the model memorandum of understanding introduces significant delays in the finalization of the draft memorandum of understanding. The Secretariat would therefore like to recommend that the model memorandum of understanding document recommended by the Secretary-General (A/51/967 and Corr.1 and 2, annex) be approved by the General Assembly to facilitate the memorandum of understanding process and thereby reduce delays caused by language changes requested by troop contributors.

Approval and signature of the memorandum of understanding

13. Finally, the Secretariat has noted that there is a significant delay in receiving the approval of and the final signature on the memorandum of understanding by troop contributors as a result of their national governmental process. In the absence of a signed memorandum of understanding, the Secretariat is not in a position to certify claims for payment.

14. The intent of the contingent-owned equipment system is to have the memorandum of understanding signed by the troop contributor and the United Nations prior to deployment. The Secretariat would like to

emphasize that the foundation of effective management of the contingent-owned equipment methodology rests with the timely and comprehensive implementation of memorandums of understanding. It is a requirement that these agreements be reached prior to the deployment of formed military units to facilitate the work of the Secretariat and to provide the framework for mission support. Statistics show that as at 30 April 2002, a total of 214 memorandums of understanding had been signed, of which only 8 (approximately 4 per cent) had been signed prior to the deployment of the major equipment and/or self-sustainment items in the field. As a result of intense efforts on the part of the Secretariat during the past six months to finalize and obtain signed memorandums of understanding, as at the end of April 2002 there were 24 memorandums of understanding under negotiation, and only 5 were pending signature by a troop contributor (see annex II).

B. Pre-deployment visit

15. The pre-deployment visit gathers experts from the Secretariat and/or the field missions who together go to the troop-contributing country to assess the unit's operational capability and assist the troop contributor to make adjustments, thereby allowing the Secretariat to make alternative arrangements if required. In the past two years there have been a total of 22 pre-deployment visits to various countries providing equipment and/or self-sustainment to the following missions: MONUC, UNAMSIL, UNMEE, UNMIK, UNTAET and the United Nations Interim Force in Lebanon (UNIFIL). Based on these experiences, the Secretariat believes that the pre-deployment visit is a crucial component of the contingent-owned equipment methodology. The majority of pre-deployment visits resulted in a change in the draft memorandum of understanding (e.g. categorization of equipment) to reflect the troop contributor's capabilities, thus reducing shortfalls in the field missions and enhancing the operational capability of those missions. Experience gained in certain missions (e.g. UNAMSIL) is that without pre-deployment visits, negotiated and signed memorandums of understanding could differ significantly from the reality of what was actually deployed. In addition, the pre-deployment team answers queries of the troop contributors in their home country on logistical and financial support concerning the implementation of the contingent-owned equipment methodology.

16. In order to further optimize these visits, new standard operating procedures for them are under review. The Secretariat requests that troop contributors be willing to accept these pre-deployment visits. In particular, the Secretariat would like to recommend that troop contributors contributing to a peacekeeping operation for the first time under the contingent-owned equipment methodology and/or with first-time deployment of a particular type of unit be required to receive a pre-deployment team's visit.

C. Verification of contingent-owned equipment

Verification reports

17. The overall aim of the verification and control procedures of the contingent-owned equipment methodology is to ensure that both parties — the troop contributors and the United Nations — meet the terms of the memorandum of understanding. Reimbursement for contingent-owned equipment is dependent upon the verification that the materials and services provided in the field meet the undertakings of the troop contributors in its memorandum of understanding. The verification process centres on a series of inspections conducted jointly by mission and contingent personnel. Each inspection produces a verification report and confirms the verification and control process during the various stages of the life cycle of a mission. The reports note where the major equipment and self-sustainment in the field differ from the standards defined in the Contingent-owned Equipment Manual and agreed upon in the memorandum of understanding. In addition, the verification reports note the operational readiness of equipment in the mission. The receipt of a verification report, along with a signed memorandum of understanding, thus enables the Secretariat to process a reimbursement for major equipment and/or self-sustainment.

18. Both the production and the processing of these reports have generally proven to be time-consuming, labour-intensive, often inconsistent between missions and usually very late. The Secretariat believes that further gains in efficiency in the contingent-owned equipment process can be made specifically as concerns the verification reports themselves. The first area being analysed for improvement is the frequency of reporting requirements, with an aim to realize a qualitative balance between the requirements for

frequent reporting and the resources necessary to obtain them. The second area concerns the manner of reporting. The Secretariat wishes to examine the issues, both functionally and technically, of using electronic reporting and/or electronic signatures, which would improve the timeliness and receipt of processing over paper-based reports while also enforcing a standard format. Finally, the Secretariat is considering possible improvements in the model verification report, perhaps by evolving towards exception reporting and/or by developing or adapting a quarterly operational readiness report. The Secretariat aims to simplify the reports to make them more efficient, reliable, useful and timely.

Verification standards

19. The contingent-owned equipment verification standards have been established by the various working groups on reimbursement of contingent-owned equipment and are contained in the Contingent-owned Equipment Manual. An updated version of the Contingent-owned Equipment Manual containing all recommendations approved by the General Assembly has been finalized, and an electronic version is available. Verification worksheets on major equipment and each category of self-sustainment are included in appendix I to the Manual to ensure a consistent implementation of the approved standards in all peacekeeping operations.

20. In addition, the Secretariat has initiated a contingent-owned equipment database in Lotus Notes. The pilot project has enabled Headquarters and the field offices to view the memorandum of understanding and verification reports of contingent units in UNTAET (as at March 2000) and in UNMEE (as at May 2001). Based on the success of the pilot projects, the Secretariat will now complete the roll-out of the system in July 2002 to MONUC, UNAMSIL, UNMIK, UNIFIL, the United Nations Disengagement Observer Force (UNDOF) and the United Nations Iraq-Kuwait Observation Mission (UNIKOM), and in November/December 2002 to all other missions. Once this database has been deployed to all missions, future verification reports will be online rather than on paper. This will facilitate the contingent-owned equipment verification process, as mentioned in paragraph 18 above.

Training

21. As a means of tackling the at times inconsistent production of verification reports, the Secretariat has dispatched ad hoc training teams on contingent-owned equipment verification to the new peacekeeping operations. The training provided a better understanding to the staff of how to create and produce verification reports and how the report is thereafter processed by Headquarters and the importance of their role in the efficient processing of claims. The training will be repeated on a future date for newly recruited staff. Additionally, a contingent-owned equipment inspection conference (originally scheduled for September 2001) has been rescheduled for June 2002. Teams of one or two contingent-owned equipment personnel from each mission, in addition to five or six Headquarter staff who are extremely knowledgeable in all aspects of verification and control, will convene to discuss various aspects of the contingent-owned equipment inspection process, review problems encountered in the verification and control processes, propose possible solutions and further enhance and standardize the verification procedures for all missions. The results of the conference will be used to introduce new streamlined policies and procedures, based on the lessons learned, and to adapt and update the training materials and standard operating procedures.

Shortfalls in major equipment

22. The quantity and exact type of major equipment being brought to the mission is discussed and approved via the memorandum of understanding. In accordance with the signed memorandum of understanding, the troop contributor is then reimbursed under dry- or wet-lease arrangements for those items that are operationally serviceable and agreed to. The Secretariat has noted many instances in which equipment was inconsistent with the signed memorandum of understanding or lacked the operational capability to meet the mandate of the peacekeeping operation. The Secretariat believes that had pre-deployment visits occurred, the number of inconsistencies between the memorandum of understanding and actual equipment deployed would be reduced.

Shortfalls in self-sustainment

23. Self-sustainment is defined as logistical support for contingents in a peacekeeping mission area whereby the troop contributor provides some or all

categories of logistical support to the contingent on a reimbursable basis. In its report of 7 April 1995, the Phase II Working Group on Reimbursement of Contingent-owned Equipment stated that reimbursement for self-sufficiency would be modular in nature based on troop strength (A/C.5/49/66, paras. 26 (e) and 27). Each module (category or subcategory) is considered as a complete package, and reimbursement rates are indivisible. In certain missions, the Secretariat has noted that troop contributors did not bring minor equipment and consumables sufficient for self-sustainment in accordance with the standards set out in the Contingent-owned Equipment Manual, requiring the mission to procure it. In instances where troop contributors have requested assistance from the United Nations on self-sustainment categories or modules, the Secretariat will not reimburse troop contributors for these categories. In addition, and in order to improve the efficiency of the verification reports, the Secretariat will amend the memorandum of understanding to reflect the true self-sustainment capability of the troop contributors in a mission (see A/C.5/49/70, annex, appendix III, para. 6).

24. Although the primary goal of the contingent-owned equipment methodology is for the troop contributor to be fully self-sustaining in all categories and subcategories, past experience has shown that this may not always be possible or efficient. Similar to what had been agreed upon by the post-Phase V Working Group (e.g. night observation and field defence functions; see A/C.5/55/39, paras. 64, 65 (h), (k) and (n), and 66), the Secretariat is evaluating the feasibility of the United Nations providing certain other categories or subcategories, such as tentage and accommodation, at the start of a mission. This provides the Secretariat with an ability to ensure a consistent and standard level of self-sustainment, while also enjoying economies of scale. Moreover, experience has shown that the ability to be flexible in terms of which categories and subcategories can or should be provided and by whom allows for a more efficient overall operational capability, while also taking advantage of economies of scale.

Self-sustainment standards

25. The standards of verification and control inspection and reporting for self-sustainment that a troop contributor provides to a mission are explained in annex B to chapter 3 of the Contingent-owned Equipment Manual. Based on experience to date, the Secretariat believes that the minimum standards of certain self-sustainment categories in the Manual, such as those for the electrical and observation categories, may be too generic to ensure consistent application and verification in field missions. This may have a significant impact on the morale of the troops and on the operations of the mission. The Secretariat intends to analyse these aspects further with the aim of improving the overall efficiency of operational capability in the missions.

Transportation for resupply of consumables

26. The Contingent-owned Equipment Manual (based on A/C.5/49/70, annex, para. 46) states that no separate reimbursement for transportation of spare parts, minor equipment and consumables should be provided, as the self-sustainment rates already include a transportation factor. However, the Secretariat has noted an increased number of requests from troop contributors to assist with the resupply of spare parts and consumables. Where feasible, and when the resupply of consumables coincides with the rotation of troops, space exists in a chartered aircraft and there is no additional cost to the United Nations, the Secretariat has allowed the shipment of such consumables. Where these specific circumstances do not exist, the troop contributors should be responsible for the resupply and make their own arrangements for shipments.

D. Claims processing

27. Claims processing is the culmination of the contingent-owned equipment methodology and is wholly dependent on the timeliness of the processes noted and discussed above, namely the memorandum of understanding negotiation phase and the receipt, accuracy and timeliness of verification reports. Taking note of the life cycle of claims processing and in view of the concerns raised by Member States with regard to the timeliness of reimbursement for contingent-owned equipment, a review is now in progress aimed at identifying ways of streamlining the entire process. Some of these ideas are discussed in the present report, chief among them improvements to the efficiency and effectiveness of the memorandum of understanding negotiations, the critical nature of pre-deployment visits and, finally, enhancements and changes in the

verification and control processes. Notwithstanding these changes to the actual methodology and procedures, the Secretariat also feels that improvements and particularly gains in efficiency are possible through changes in resource management. As a first step, the Secretariat sought additional staffing to increase its capacity to effectively manage the heavy volume of work.

28. As a second step, the Claims and Information Management Section of the Department of Peacekeeping Operations has reorganized in line with the geographical regions found within the Department: Africa, Asia and the Middle East and Europe and Latin America. These regional teams consist of two to six claims staff each (depending on the contingent-owned equipment-related activity in the region), and experience of the past six months has shown that the regional teams have greatly increased the efficiency, timeliness and accuracy of claims processing. The team deals with all claims (contingent-owned equipment, death and disability and letters of assist), issues and concerns that occur within a region. This aspect provides the claims staff with an increased overview, understanding and ability to manage priorities and deal effectively (and proactively) with claims and their reimbursement. The creation of teams has also provided an additional capability to immediately deal with the development of peacekeeping operations as they move through the life cycle of a mission, allowing resources to be shifted and managed on the basis of the changing priorities in the field. Finally, the concept of regional teams provides management with the ability to better manage the work flow of claims processing and to set and achieve targets while balancing the ever-critical demands between the negotiation of memorandums of understanding and the processing claims.

29. As a third step, the Secretariat is placing emphasis on the training of staff in contingent-owned equipment methodology and processing. Internal training is being conducted in each of the functional areas to ensure a more consistent application of rules and procedures. The Secretariat is developing three levels of presentation and training material for senior managers, contingent-owned equipment and memorandum of understanding management staff, and contingents upon arrival in the mission area. Once completed, this material will be reviewed at Headquarters for wider applicability and dissemination. Likewise, the Secretariat is reviewing the existing standard policies and procedures and is updating the standard operating procedures with a view to further improving the claims process in all its aspects.

IV. Action to be taken by the General Assembly

30. It is recommended that the General Assembly approve a model memorandum of understanding to facilitate the negotiation process.

V. Suggested recommendations of the General Assembly to troop contributors

31. It is recommended that the General Assembly request troop contributors to consider:

(a) Once a "special case" major equipment reimbursement rate has been utilized by two or more troop contributors, requesting the next Working Group on Reimbursement of contingent-owned equipment to review the equipment and recommend a generic fair market value and a dry/wet lease rate for it;

(b) Approving final draft memorandums of understanding and signing them as soon as possible to allow the Secretariat to process claims for reimbursement;

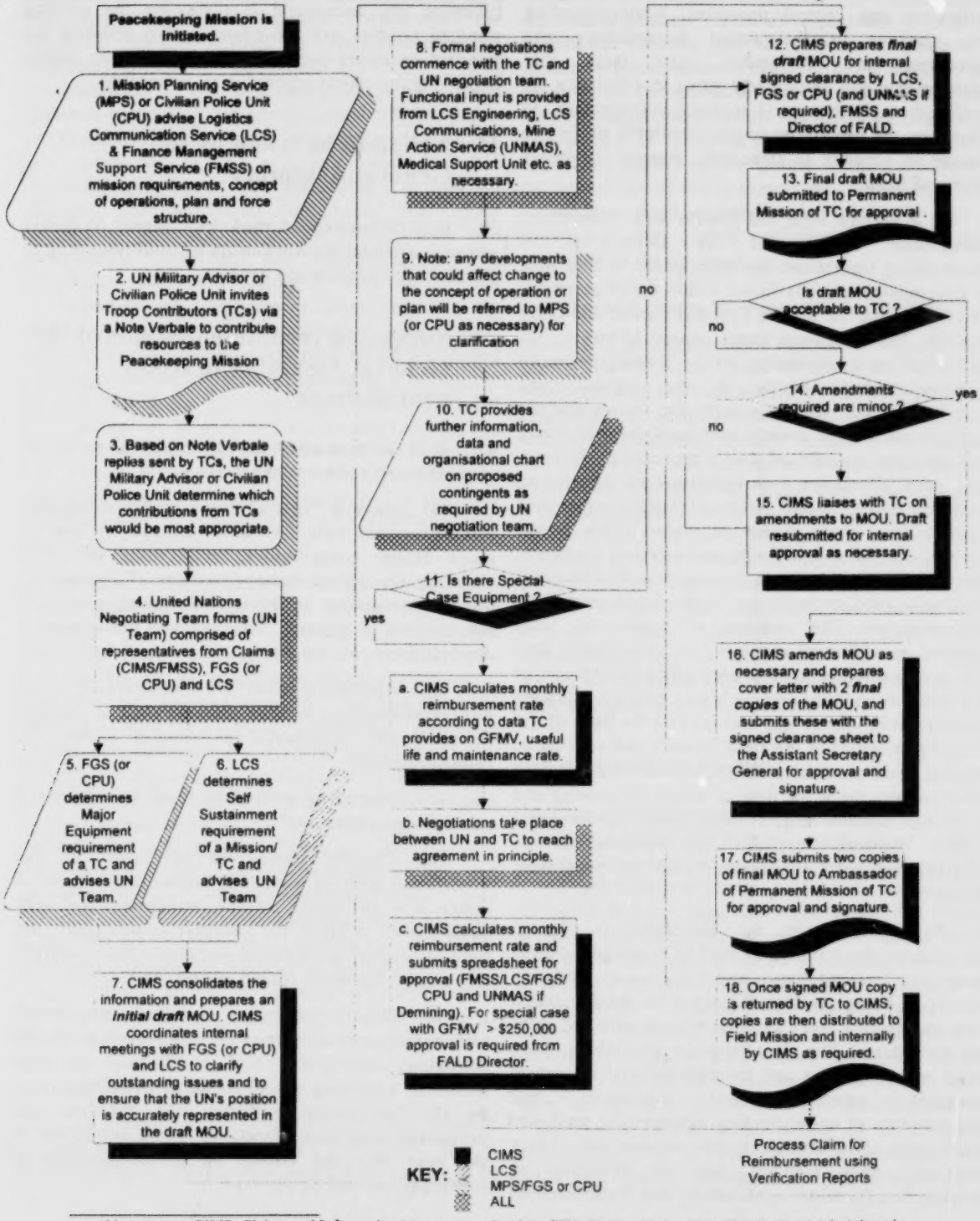
(c) Accepting a visit to their country by a pre-deployment team;

(d) Clearly stating at the start of the negotiation process any deficiencies they expect to experience in either major equipment or self-sustainment to allow the Secretariat sufficient lead time to procure such resources, either from another troop contributor or from a contractor;

(e) Where minimum standards of certain self-sustainment categories are too generic to ensure consistent application and verification in field missions, accepting the drafting of working papers by the Secretariat outlining the problem and proposing minimum standards to be submitted to the next Working Group on Reimbursement of contingent-owned equipment.

Annex I

Flow chart of the process of negotiation and approval of memorandums of understanding[a]


Peacekeeping Mission is initiated.
1. Mission Planning Service (MPS) or Civilian Police Unit (CPU) advise Logistics Communication Service (LCS) & Finance Management Support Service (FMSS) on mission requirements, concept of operations, plan and force structure.
2. UN Military Advisor or Civilian Police Unit invites Troop Contributors (TCs) via a Note Verbale to contribute resources to the Peacekeeping Mission
3. Based on Note Verbale replies sent by TCs, the UN Military Advisor or Civilian Police Unit determine which contributions from TCs would be most appropriate.
4. United Nations Negotiating Team forms (UN Team) comprised of representatives from Claims (CIMS/FMSS), FGS (or CPU) and LCS
5. FGS (or CPU) determines Major Equipment requirement of a TC and advises UN Team.
6. LCS determines Self Sustainment requirement of a Mission/ TC and advises UN Team
7. CIMS consolidates the information and prepares an initial draft MOU. CIMS coordinates internal meetings with FGS (or CPU) and LCS to clarify outstanding issues and to ensure that the UN's position is accurately represented in the draft MOU.
8. Formal negotiations commence with the TC and UN negotiation team. Functional input is provided from LCS Engineering, LCS Communications, Mine Action Service (UNMAS), Medical Support Unit etc. as necessary.
9. Note: any developments that could affect change to the concept of operation or plan will be referred to MPS (or CPU as necessary) for clarification
10. TC provides further information, data and organisational chart on proposed contingents as required by UN negotiation team.
11. Is there Special Case Equipment ?
yes
a. CIMS calculates monthly reimbursement rate according to data TC provides on GFMV, useful life and maintenance rate.
b. Negotiations take place between UN and TC to reach agreement in principle.
c. CIMS calculates monthly reimbursement rate and submits spreadsheet for approval (FMSS/LCS/FGS/ CPU and UNMAS if Demining). For special case with GFMV > $250,000 approval is required from FALD Director.
no
12. CIMS prepares final draft MOU for internal signed clearance by LCS, FGS or CPU (and UNMAS if required), FMSS and Director of FALD.
13. Final draft MOU submitted to Permanent Mission of TC for approval .
Is draft MOU acceptable to TC ?
no
14. Amendments required are minor ?
yes
no
15. CIMS liaises with TC on amendments to MOU. Draft resubmitted for internal approval as necessary.
16. CIMS amends MOU as necessary and prepares cover letter with 2 final copies of the MOU, and submits these with the signed clearance sheet to the Assistant Secretary General for approval and signature.
17. CIMS submits two copies of final MOU to Ambassador of Permanent Mission of TC for approval and signature.
18. Once signed MOU copy is returned by TC to CIMS, copies are then distributed to Field Mission and internally by CIMS as required.
Process Claim for Reimbursement using Verification Reports
KEY:
CIMS
LCS
MPS/FGS or CPU
ALL

[a] *Abbreviations*: CIMS, Claims and Information Management Section; CPU, Civilian Police Unit; FALD, Field Administration and Logistics Division; FGS, Force Generation Service; FMSS, Finance Management and Support Service; GFMV, generic fair market value; LCS, Logistics Communication Service; MOU, memorandum of understanding; MPS, Mission Planning Service; TC, troop contributor; UNMAS, Mine Action Service.

Annex II

Status of memorandums of understanding in peacekeeping missions as at 30 April 2002

Mission	*No. of countries*	*No. of units*	*Number of memorandums of understanding*			
			Pending signature	*Under negotiation*	*Signed*	*Signed, subject to ratification*
United Nations Mission in the Central African Republic	10	11	0	0	11	1
United Nations Organization Mission in the Democratic Republic of the Congo	8	25	0	1	24	0
United Nations Mission in Sierra Leone	15	69	0	20	49	5
United Nations Angola Verification Mission/United Nations Observer Mission in Angola	9	19	0	0	19	0
United Nations Disengagement Observer Force	3	3	0	1	2	1
United Nations Peacekeeping Force in Cyprus	2	3	1	0	2	0
United Nations Interim Force in Lebanon	7	7	0	0	7	0
United Nations Iraq-Kuwait Observation Mission	1	1	0	1	0	1
United Nations Mission in Ethiopia and Eritrea	12	19	2	0	17	0
United Nations Interim Administration Mission in Kosovo	8	11	0	0	11	1
United Nations Observer Mission in Sierra Leone	1	1	0	0	1	0
United Nations Peace Forces	9	9	0	0	9	0
United Nations Preventive Deployment Force	4	4	0	0	4	0
United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium	10	10	0	0	10	0
United Nations Transitional Administration in East Timor	24	51	2	1	48	1
Total	-	243	5	24	214	10